



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

PAUL C. AJEGBA
DIRECTOR

Commission for Logistics & Supply Collaboration

DRAFT Meeting Minutes

August 15, 2019

LSC Members Present:

Robert Boehm
Tim Hoeffner *for Paul Ajegba*
Valerie Hoag *for Jeff Mason*
Les Brand
Dr. David Closs
Roger Huff
Dr. Pasi Lautala
Fred Schlemmer (via phone)

PAC Members Present:

Paul LaMarre
Erin Kuhn
Gabe Schneider
Rodney Stokes
Kyle Burleson
Paul Strpko
Charles Squires

Members Absent:

Peter Anastor *for Gary McDowell*
Janice Walsh

Robert Innis
Mark Pontti

The meeting was called to order at 9:35 a.m.

Tim Hoeffner, MDOT Office of Rail Director, welcomed Commission and Committee members and MDOT support staff. A quorum was established.

Draft minutes from May 9, 2019 were approved.

Port Advisory and LSC Update

Paul LaMarre, Port of Monroe Liaison for the Port Advisory Committee, provided a brief update. The Port Advisory Committee has put together a list of deliverables for Governor Whitmer's office. Several of these deliverables span the course of 20 to 30 years. A challenge faced by ports

is that Federal customs inspection rules are interpreted differently among U.S. Customs and Border Protection offices in various Great Lakes states. Because of a restrictive interpretation by the office in Michigan, clearance of international containerized or palletized cargoes are not permitted at Michigan's ports but is allowed at ports in neighboring states.

Tim Hoeffner, MDOT Office of Rail Director, gave an update on working with the Michigan Association of Railroads on making main line turnouts with the introduction of precision railroading and Positive Train Control (PTC). On August 16, 2019, the Michigan Economic Development Corporation will hold a panel on transportation where Tim Hoeffner and Dr. Pasi Lautala will be guest speakers.

Some highlights of LSC's activities since the last joint meeting with the Port Advisory Committee in November 2018 are:

Regular reports on:

- c State talent and workforce development efforts
 - c State and federal legislation related to freight
 - o Progress on State Long Range Transportation Plan and Freight Engagement
- Presentations on:
 - o US-31 relocation from Napier Road to I-94
 - o Michigan Logging

On-Site Visits to:

- o Aruco North America Tour in Grayling
- o Camp Grayling

Revenue Package Update

Craig Newell, Asset Management and Policy Division Administrator for MDOT, provided a high-level revenue package update. The 2015 Revenue Package took effect in January 2017 and was divided among all 696 agencies. Governor Whitmer has proposed a 45-cent fuel tax increase. A new formula was created based on functional class lane-miles including most new

revenue for state trunklines. The senate budget bill (SB 149) was passed in May 2019 followed by the House (HB 4246) in June 2019. It is anticipated that many changes will be made to these proposed bills prior to anything being signed by the Governor. Legislative sessions are scheduled to resume on September 3, 2019 with a budget deadline of September 30, 2019.

MEDC Project Update

Valerie Hoag with MEDC filled in for Beth Colosimo with an update on job creation and investment projects. The MEDC will announce the week of August 19, 2019, forty-seven grants worth \$3.4M to cover regions from the Western Upper Peninsula to Southeast Michigan. MEDC also works with the sites on getting ready for some of the larger projects to come in. On October 1, 2019, MEDC will open the bidding process for grants.

Carbide Dock Build Grant Update

Linda Basista, with the City of Sault Ste. Marie, presented the BUILD Grant project schedule. The project has two components: seawall repair and replacement along with Carbide Dock compound area site improvements. The project is on track and bidding will take place in late 2020 with construction to start in early 2021. The \$21.7M budget that was submitted with the grant application is currently being revised with the help of the MEDC.

Overview of Muskegon Activities

Erin Kuhn & Kathy Evans, from the West Michigan Shoreline Regional Development Commission, presented a brief presentation on the history of the Port of Muskegon followed by a video titled: Back from the Brink (<https://www.youtube.com/watch?v=n7HCN0ROK-w>). The City of Muskegon is in the development stages of building a waterfront property connecting downtown Muskegon to Muskegon Lake that can utilize commercial property and create retail space. The Cobb Coal Dock has been 90% decommissioned and cleaned up ready to be repurposed alongside the waterfront. There is also an initiative to enhance the Port of Muskegon's Marine Transportation offerings for cross-lake and short shipping.

Open Discussion

None.

Public Discussion

None.

Meeting was adjourned at 12:07 p.m.

